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Outlook for U.S. Agricultural Trade

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Forecast Fiscal 2003 U.S. Agricultural Exports and Imports Remain Unchanged at \$57 Billion and \$43 billion

Forecast at \$57 billion in fiscal year 2003, U.S. agricultural exports are expected to increase by \$3.7 billion over fiscal year 2002, but are unchanged from November. Most of the year-to-year growth in export value is expected in corn and soybean exports; modest gains also are forecast for wheat and meat exports. Since November, prospects for U.S. corn exports have been reduced due to increased foreign export competition, particularly from Argentina and China. However, much stronger U.S. soybean exports also are forecast, reflecting a large increase in demand in China, particularly for crushing for oil.

Expected U.S. agricultural imports of \$43 billion also are unchanged from November's projection, but up \$2 billion from 2002. The strong U.S. dollar continues to promote imports. Horticultural products such as wine and malt beverages, fruits, and vegetables account for most of this expected gain. The forecast U.S. agricultural export surplus remains \$14 billion, the largest since fiscal year 1998.

Table 1--U.S. agricultural trade, fiscal years 1998-2003, year ending September 30

Item	1998	1999	2000	2001	2002	Forecast	
						Fiscal 2003	
						Nov.	Feb.
Billion dollars							
Exports	53.6	49.1	50.7	52.7	53.3	57.0	57.0
Imports	36.8	37.3	38.9	39.0	41.0	43.0	43.0
Balance	16.8	11.8	11.9	13.7	12.3	14.0	14.0

Reflects forecasts in the Feb. 11, 2003, *World Agricultural Supply and Demand Estimates* report.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

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The United States and the world economy continue to be plagued by uncertainty. U.S. gross domestic product (GDP) growth in fiscal year 2003 is estimated to be near 2.5 percent, about the same as in fiscal year 2002. World growth in 2003 is expected to exceed 2 percent, compared with just 1.6 percent in 2002. Until some of the uncertainty can be resolved, growth in the world and the U.S. is likely to continue lackluster.

Japan and Argentina currently remain in recession, but are forecast to show marginally positive growth in 2003. Growth in Brazil is expected to continue relatively slow in 2003. In contrast, however, China and India continue rapid growth.

Developed Economies

Economic prospects in the United States remain uncertain. Consumer spending is slowing and savings rates are increasing. Unemployment in the United States and elsewhere has been rising and no significant reductions are likely to take place until the pace of economic activity increases substantially. Interest rates and inflation remain at historically low rates.

GDP growth in the European Union (EU) is likely to continue below 2 percent through 2003. The euro has recently appreciated against the dollar and is now above parity. Rigidities in the EU labor markets will constrain growth for the foreseeable future. However, slowly over time, the EU has been making reforms, which will have a significant long-term effect. Furthermore, the expansion of the EU will increase the financial strength of Europe compared with the United States over time.

Japan's economy remains stagnant. Lackluster growth of only about 1 percent is forecast in 2003, but that is an improvement over the continued recession of 2002. The export sector alone cannot revive the Japanese economy. Some means must be found to stimulate domestic demand. The slow growth in Japan, along with historically high rates of savings, has resulted in interest rates of zero and deflation. Japan's export growth has not been sufficient to bring the economy out of its malaise. U.S. exports to Japan have fallen since fiscal year 1996.

Developing Economies

A critical factor for the return of developing countries to historic growth rates will be renewed growth in the United States and Japan. This will be true particularly for those developing countries dependent on export markets. Economic growth in developing countries is expected to accelerate to more than 4 percent in 2003.

Overall growth in the Asian developing countries is forecast to exceed 5 percent in 2003. China and India, because of their internal dynamics, continue to grow at high rates, forecast over 7 and near 6 percent, respectively, in 2003. The rest of Asia is expected to remain roughly unchanged in 2003, with modest growth rates in the 3 to 5 percent range, similar to 2002.

In Latin America, Argentina continues to have the most serious problems. Argentina is in its fifth year of recession. Current estimates suggest GDP growth this year is likely to improve slightly. Argentina has seen almost a 75-percent depreciation of its currency against the dollar since January 2002. Brazil's growth is expected to recover somewhat in 2003, after slowing in 2002. Brazil has also experienced a significant depreciation of its currency against the dollar. But, significant adjustments are still needed in these countries before rapid growth will resume. However, Mexico's economy is expected to grow at just over 3 percent in 2003, and stronger GDP growth is forecast for Central America.

The transition economies are likely to continue growth of about 4 percent in 2003. For Africa, the main risk is the longer term impact of AIDS on growth. Population projections are already showing declines in some countries and the ability of some populations to feed themselves is diminishing.

Exchange Rates

Although the dollar remains relatively strong, it has depreciated against some currencies, namely the euro and the yen. No precipitous drop in the dollar is anticipated; instead, a slow decline over the rest of the year and into the next is likely against some currencies. With some decrease in the dollar, U.S. agricultural exports are expected to become more competitive in world markets.

Export Products

The February forecast for fiscal year 2003 U.S. grain and feed exports is lowered \$500 million from November's estimate to \$16.1 billion. Reductions for wheat and coarse grains are partly offset by gains for value-added products. The forecast for U.S. wheat and flour exports is lowered 500,000 tons to 24.5 million tons. This small adjustment in volume, and a larger reduction in expected export unit value, lowers total export value \$300 million to \$3.9 billion. Competition from the Black Sea region and the EU remains strong. Year-to-year wheat export volume is forecast almost 1 million tons lower, but average prices will be higher.

The forecast for U.S. coarse grain exports is lowered 4.2 million tons and \$700 million to 52.6 million tons valued at \$6.2 billion. Since November, corn and sorghum exports are reduced 3 million tons and 1.2 million tons, respectively. Lower volumes and some reduction in expected export unit values leads to a \$700-million reduction in coarse grain export value. The weaker outlook for corn reflects continued strong competition from China, better prospects for South American crops, and large global supplies of feed-quality wheat. Compared with 2002, little change in corn export volume is expected, but average prices will be higher. As for sorghum, the sharply lower U.S. crop reduces export volume.

Fiscal 2003 U.S. rice exports are increased 200,000 tons from the November estimate to a record 3.8 million tons, but weaker average unit prices leave value largely unchanged. The large U.S. rice crop and resulting lower prices support increased export volume. Global demand for rice remains strong.

The export forecast for oilseeds and products is raised 1.3 million tons and \$400 million in February. Compared with the November estimate, U.S. soybean export volume is up 1.4 million tons, but somewhat lower average unit prices result in only a \$300-million gain to \$6 billion. Continued strong sales to China and other countries support the gains, but further increased competition from South American growers is eroding the U.S. share of global trade, which is now estimated at 35 percent in marketing year 2002/03. Soybean shipments are forecast to remain below last year's record, but higher average unit values will result in somewhat higher total value. The 2003 soybean meal export forecast was further

reduced with competition from South American cutting into U.S. exports, especially to Asia. A slight increase in soybean oil unit value offsets a small decrease in export volume.

The forecast for 2003 livestock, poultry, and dairy product exports remains unchanged at a record \$12.4 billion, up \$450 million from the previous year. Beef, pork, and poultry meat contribute to most of the year-to-year increase in export value. For the most part, export volume and export unit values for meats are expected to show some gains. Beef exports to Mexico and Korea are expected to remain steady. Exports to Japan are expected to show improvement from the BSE-depressed levels of last year, but if Japan imposes its beef import safeguard, exports to this market could slow. For pork, the trade impact of Japan's safeguard on imports is likely to remain limited, and the results of Mexico's ongoing antidumping investigation against U.S. pork will soon be announced. The forecast for U.S. broiler meat exports remains unchanged at 2.3 million tons valued at \$1.6 billion, despite Russia's intention to establish import quotas in May. The reported U.S. share of the Russian quota allows for export growth this year.

The forecast for U.S. horticultural products remains unchanged from the November estimate at a record \$11.3 billion. Continued economic weakness in Japan, a relatively strong U.S. dollar, ongoing trade disputes with Mexico, and growing competition from China are among key factors restraining greater U.S. export expansion of these products. The forecast for fresh and processed fruit remains unchanged at \$3.4 billion. Higher prices for apples and pears will mostly offset the impact of smaller crops, leaving export value largely unchanged. The positive impact on exports of a larger California citrus crop will partially offset an estimated 14-percent drop in Florida's grapefruit crop. A smaller Florida orange crop will lead to some decline in fruit juice exports. The export forecast for fresh and processed vegetables remains at \$3.1 billion. The outlook for lettuce and potatoes looks positive, but the growth of frozen and dehydrated potatoes has slowed. The outlook for tree nuts remains positive due to large domestic crops and stronger foreign demand.

Table 2--U.S. agricultural exports: Value and volume by commodity, 2002-2003

Table 2--U.S. agricultural exports: value and volume by commodity, 2002-2003					
Commodity	October-November		Fiscal 2002	Forecast Fiscal 2003	
	2001	2002		Nov.	Feb.
Billion dollars					
VALUE					
Grains and feeds 1/	2.445	2.570	14.131	16.6	16.1
Wheat and flour	0.704	0.757	3.605	4.2	3.9
Rice	0.113	0.129	0.733	0.7	0.7
Coarse grains 2/	0.809	0.876	5.271	6.9	6.2
Corn	0.675	0.768	4.581	6.1	5.5
Feeds and fodders	0.455	0.453	2.530	2.8	2.9
Oilseeds and products	2.410	2.181	9.745	9.6	10.0
Soybeans	1.562	1.584	5.468	5.7	6.0
Soybean meal	0.246	0.179	1.294	1.1	1.0
Soybean oil	0.065	0.070	0.454	0.5	0.5
Livestock products	1.745	1.466	8.681	9.0	9.0
Beef, pork, and variety meats	0.869	0.764	4.749	5.0	5.0
Hides and skins, incl. furs	0.307	0.286	1.776	1.8	1.8
Poultry and products	0.504	0.370	2.303	2.4	2.4
Broiler meat 3/	0.343	0.245	1.546	1.6	1.6
Dairy products	0.206	0.166	0.964	1.0	1.0
Tobacco, unmanufactured	0.254	0.189	1.147	1.2	1.2
Cotton and linters	0.301	0.247	2.052	2.6	2.6
Seeds	0.136	0.154	0.849	0.9	0.9
Horticultural products	2.020	2.097	11.109	11.3	11.3
Fruits and preparations	0.586	0.593	3.425	3.4	3.4
Vegetables and preparations	0.502	0.502	3.004	3.1	3.1
Tree nuts and preparations	0.346	0.395	1.232	1.3	1.3
Sugar and tropical products	0.453	0.439	2.312	2.4	2.4
Major bulk product value 4/	3.543	3.582	18.162	21.2	20.5
Total value 5/	10.476	9.878	53.294	57.0	57.0
Million metric tons					
VOLUME					
Wheat	5.161	4.189	25.353	25.0	24.5
Wheat flour	0.107	0.060	0.454	0.5	0.5
Rice	0.494	0.683	3.516	3.6	3.8
Coarse grains 2/	8.462	7.622	53.448	56.8	52.6
Corn	7.182	6.712	46.913	50.0	47.0
Feeds and fodders	2.060	2.108	12.630	12.6	12.5
Oilseeds and products	10.698	8.884	40.202	33.7	35.0
Soybeans	8.624	7.256	28.897	24.2	25.6
Soybean meal	1.261	0.904	6.805	5.6	5.4
Soybean oil	0.169	0.140	1.143	1.0	1.0
Beef, pork, and variety meats	0.343	0.315	1.950	2.0	2.0
Broiler meat 3/	0.442	0.411	2.260	2.3	2.3
Animal fats	0.197	0.252	1.339	1.3	1.3
Tobacco, unmanufactured	0.033	0.029	0.163	0.2	0.2
Cotton and linters	0.308	0.244	2.206	2.4	2.4
Horticultural products	1.410	1.379	7.940	8.0	8.0
Sugar and tropical products	0.224	0.220	1.229	1.3	1.3
Total major bulk product volume 4/	23.082	20.023	113.583	112.2	109.1

1/ Includes pulses and processed grain products. 2/ Includes corn, barley, sorghum, oats, and rye. 3/ Includes only Federally inspected product. 4/ Includes wheat, rice, coarse grains, soybeans, cotton and linters, and tobacco. 5/ Includes a small amount of miscellaneous product not elsewhere specified.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Exports

With no change in the forecast fiscal year 2003 total for U.S. agricultural exports in February compared with November, no alterations are made in the regional distribution of these exports. However, export competition now appears likely to be stronger, particularly for corn. But, prospects for soybean sales, particularly to China, have improved.

Year-to-year, U.S. exports are still forecast up by \$3.7 billion or 7 percent over fiscal year 2002. Expected growth is led by the Western Hemisphere, where exports to Canada, Mexico, Central America, and the Caribbean all are expected to rise. The North American Free Trade Agreement (NAFTA) continues to promote mutual trade between the United States, Canada, and Mexico. U.S. agricultural exports to the Western Hemisphere in 2003 are forecast \$1.6 billion above 2002.

Mexico accounts for \$800 million, half of the expected Western Hemisphere growth in U.S. agricultural exports. Important exports to Mexico include meats, soybeans, vegetables, corn, and sorghum. The availability of oil for export will boost Mexico's economic performance and income. Since November, expected soybean exports to Mexico have been reduced, reflecting anticipated stronger export competition from larger South American crops and larger imports of soybean meal and soybean oil.

Canada is forecast to take \$500 million more U.S. agricultural products in 2003. Fresh vegetables and fresh fruits are the largest U.S. agricultural exports to Canada, followed by red meats, corn, poultry, and vegetable oils. However, like the United States, Canada's expected 2003 economic growth currently reflects global uncertainty and may serve as a restraint on 2003 import growth. Since November, potential exports of soybeans and pork to Canada have increased, but expected beef exports are reduced.

Agricultural exports to Central America are boosted by \$200 million over the previous year. Much

stronger expected 2003 economic growth supports export growth to this region.

The second-largest growth in 2003 U.S. exports is likely to be to the Asian region. Expected 2003 exports to this region are \$1.5 billion over 2002. China shows the strongest rate of growth, as its economy continues to expand rapidly. In addition, its potential 2003 imports of U.S. soybeans have been increased sharply since November, as demand for oilseeds to crush for vegetable oil rises.

Exports to Japan have been increased year-to-year largely because of stronger commodity prices. Prospects for beef and soybean exports to Japan are forecast up slightly over November.

Most other Asian countries are forecast to take about \$100 million more U.S. agricultural products than last year, reflecting small gains in economic growth. Estimates of soybean meal exports to Indonesia have risen slightly since November's estimate. But, cotton exports to South Asia, a major cotton producing area, have been reduced since November, as the expected crop in India improved.

At a forecast \$470-million gain in 2003, to exports of \$7.5 billion, Western Europe remains the third largest regional U.S. agricultural export destination. Soybeans are still the largest U.S. agricultural export to Western Europe. Nuts, tobacco, vegetables, and fruits are also important exports to Europe.

Recovery in U.S. exports of poultry meat to Russia is expected to be modest. The reported U.S. share of Russia's quota allows for some export growth this year.

Exports to Africa are forecast about 4 percent greater than in 2003. But, since November, potential U.S. exports of corn to Egypt face increased export competition from Argentina and the Ukraine.

Table 3--U.S. agricultural exports: Value by region, 2002-2003

Country and Region 1/	October-November		Fiscal 2002	Share of total 2002	Forecast Fiscal 2003	
	2001	2002			Nov.	Feb.
	Billion dollars			Percent	Billion dollars	
Asia (excl. Middle East)	3.734	3.613	19.433	36.5	20.9	20.9
Japan	1.524	1.464	8.291	15.6	9.0	8.8
China	0.448	0.590	1.769	3.3	2.1	2.3
Hong Kong	0.240	0.187	1.145	2.1	1.1	1.1
Taiwan	0.337	0.332	1.909	3.6	2.1	2.1
South Korea	0.436	0.426	2.670	5.0	2.8	2.8
Southeast Asia	0.575	0.524	2.880	5.4	3.0	3.0
Indonesia	0.141	0.143	0.783	1.5	0.8	0.8
Philippines	0.157	0.132	0.763	1.4	0.8	0.8
Malaysia	0.071	0.065	0.365	0.7	0.4	0.4
Thailand	0.138	0.126	0.625	1.2	0.7	0.7
South Asia	0.173	0.085	0.751	1.4	0.8	0.8
Western Hemisphere	3.603	3.786	20.133	37.8	21.7	21.7
Canada	1.496	1.531	8.586	16.1	9.0	9.1
Mexico	1.305	1.364	7.089	13.3	8.1	7.9
Caribbean	0.269	0.285	1.495	2.8	1.6	1.6
Central America	0.240	0.279	1.218	2.3	1.3	1.4
South America	0.293	0.326	1.744	3.3	1.7	1.7
Brazil	0.045	0.062	0.318	0.6	0.3	0.3
Colombia	0.070	0.088	0.485	0.9	0.5	0.5
Venezuela	0.067	0.085	0.329	0.6	0.3	0.3
Western Europe	1.659	1.429	7.031	13.2	7.5	7.5
European Union	1.419	1.369	6.273	11.8	6.7	6.7
Central and Eastern Europe	0.044	0.047	0.225	0.4	0.2	0.2
New Independent States 2/	0.259	0.147	0.896	1.7	1.0	1.0
Russia	0.208	0.094	0.711	1.3	0.8	0.8
Middle East	0.513	0.371	2.454	4.6	2.5	2.5
Turkey	0.134	0.084	0.723	1.4	0.8	0.8
Saudi Arabia	0.052	0.052	0.354	0.7	0.3	0.3
Africa	0.434	0.306	2.406	4.5	2.5	2.5
North Africa	0.308	0.138	1.562	2.9	1.6	1.6
Egypt	0.221	0.059	1.025	1.9	1.1	1.1
Sub-Saharan Africa	0.126	0.168	0.844	1.6	0.9	0.9
Oceania	0.096	0.084	0.501	0.9	0.5	0.5
Transshipments 3/	0.134	0.095	0.215	0.4	0.2	0.2
Total 3/	10.476	9.878	53.294	100.0	57.0	57.0

Total may not add due to rounding.

1/ Projections, other than to the 10 largest destination countries, are based primarily on trend or recent average growth analysis.

2/ New Independent States (NIS) are the former Soviet Union, including the Baltic Republics.

3/ Transshipments through Canada have not been allocated to their final destinations for 1999 through 2003, but are included in the total.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

The \$43-billion forecast for U.S. agricultural imports in fiscal year 2003 is unchanged from the November 2002 estimate. This projection represents \$2 billion more imports than the \$41 billion in fiscal year 2002. As in 2002, imports are generally expected to be flat in the first half of the fiscal year before demand picks up during the warmer months of the year. Year-to-year import growth is again attributed largely to horticulture products, notably wine and malt beverages, fruits, and vegetables.

Compared with 2002, the increase from horticulture imports is estimated at \$1 billion, or half of the total expected import gain. Imports of animal products as well as grains are forecast to rise by about \$200 million each, for a total of around \$400 million. The remaining \$600 million of forecast higher imports comes from sugar and confectionery products, tobacco, oilseeds and products, cocoa and chocolate products, and other competitive imports.

Overall economic activity in the United States is expected to remain moderate in 2003, although the dollar likely will remain strong with respect to currencies of many import sources, particularly developing countries. Thus, the foreign purchasing power of U.S. consumers will stay high. Nevertheless, prospects for oil supply disruption may result in even higher energy prices. The immediate effect most likely would be to reduce consumers' appetite for imports, especially of high-value products.

Imported live animals and animal products are expected to grow by \$100 million each in 2003 from 2002. Import gains are anticipated from live sheep, as well as from cattle and horses, which fell in 2002. Imported beef and pork, lamb meat, and mutton are forecast up in 2003 as total U.S. red meat production drops from 2002.

The \$200-million import increase in grains and feeds comes from grain products and feeds, as U.S. demand continues high for biscuits and wafers, pasta and noodles, and feeds and fodders. The value of imported grains is expected to be essentially unchanged from 2002 as a decline in wheat import volume is partly offset by higher wheat prices. Also, while feed grain imports are expected up, rice imports are down.

Foreign wine, beer, and nonalcoholic beverages are forecast to raise U.S. horticulture imports by \$300 million in 2003. In addition, continued strong demand for foreign apples, avocados, berries, grapes, peaches, pineapples, and strawberries is expected to drive up the import bill by about \$300 million. Among vegetables, cauliflower, broccoli, garlic, lettuce, potatoes, and prepared vegetables will boost imports by another \$200 million. Also, imports of essential oils and bananas are forecast up from 2002.

The value of oilseeds and products imports forecast for 2003 is \$100 million more than in 2002. Higher oilseed and vegetable oil prices more than offset the smaller import volume. The higher prices are attributed in part to lower U.S. production.

Along with tea, imported chocolate products are forecast to continue to grow, as cocoa prices remain relatively high. Import gains from chocolate products and tea are forecast up \$200 million. Further growth is expected from imported confectionery products, spices, and filler tobacco, which amount to \$200 million more farm imports. Increased U.S. candy consumption, together with soft drinks, underlie the strong import demand for these sugared-products.

Table 4--U.S. agricultural imports: Value and volume by commodity, 2002-2003

Commodity	October-November		Fiscal 2002	Forecast Fiscal 2003	
	2001	2002		Nov.	Feb.
Billion dollars					
VALUE					
Animals and products	1.709	1.531	9.094	9.3	9.3
Live animals, except poultry	0.448	0.423	2.022	2.1	2.1
Red meats and products	0.735	0.653	4.187	4.3	4.3
Dairy products	0.353	0.291	1.841	1.8	1.8
Grains and feeds	0.707	0.737	3.594	3.9	3.8
Grains	0.167	0.138	0.754	0.8	0.8
Grain products and feeds	0.540	0.599	2.840	3.0	3.0
Horticulture products 1/	2.786	2.971	17.542	18.4	18.5
Fruits and preps. and juices	0.671	0.669	4.931	5.2	5.2
Bananas	0.193	0.187	1.188	1.2	1.2
Nuts and preparations	0.127	0.128	0.648	0.7	0.7
Vegetables and preparations	0.854	0.925	5.443	5.6	5.6
Wine and malt beverages	0.876	0.998	5.047	5.3	5.3
Cut flowers and nursery	0.199	0.188	1.135	1.2	1.2
Sugar and related products	0.278	0.368	1.711	1.8	1.8
Tobacco, unmanufactured	0.097	0.100	0.734	0.8	0.8
Oilseeds and products	0.266	0.328	1.679	1.8	1.8
Coffee and products	0.236	0.290	1.610	1.6	1.6
Cocoa and products	0.296	0.356	1.715	1.9	1.9
Rubber and gums	0.094	0.157	0.655	0.7	0.7
Other noncompetitive imports 2/	0.218	0.195	1.306	1.3	1.3
Other competitive imports 3/	0.205	0.188	1.339	1.4	1.4
Total agricultural imports	6.890	7.222	40.979	43.0	43.0
Million metric tons					
VOLUME					
Fruit juices 4/	4.835	5.241	28.461	29.0	29.0
Wine and malt beverages 4/	4.892	5.376	32.158	33.0	33.0
Red meats and products	0.284	0.264	1.656	1.7	1.7
Cheese and casein	0.063	0.053	0.324	0.3	0.3
Grains and feeds	1.394	1.139	6.136	5.6	5.6
Grains	1.181	0.884	4.918	4.4	4.4
Feeds and fodders	0.213	0.255	1.218	1.2	1.2
Fruits and preparations	1.178	1.176	8.356	8.6	8.6
Bananas	0.678	0.685	4.192	4.3	4.3
Nuts and preparations	0.053	0.051	0.283	0.3	0.3
Vegetables, fresh or frozen	0.618	0.688	4.321	4.5	4.5
Cane and beet sugar	0.244	0.266	1.339	1.4	1.4
Tobacco, unmanufactured	0.045	0.040	0.271	0.3	0.3
Oilseeds and products	0.569	0.643	3.649	3.1	3.1
Vegetable oils	0.328	0.323	1.938	1.8	1.8
Coffee and products	0.185	0.221	1.195	1.2	1.2
Cocoa and products	0.179	0.155	0.986	1.1	1.1
Rubber and gums	0.165	0.197	1.166	1.2	1.2

1/ Includes essential oils. 2/ Includes tea, spices, and natural drugs. 3/ Includes nonalcoholic beverages, seeds, and other vegetable products. 4/ Liquid imports are measured in hectoliters. All other imports include only items measured in metric tons.

Totals may not add due to rounding. Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Regional Imports

More than half of U.S. agricultural imports—\$23.3 billion in fiscal year 2003—will come from the Western Hemisphere. Half of the forecast \$2-billion increase in 2003 imports will be supplied by Western Hemisphere countries. Furthermore, \$500 million of that increase is expected to be from Canada. Another

roughly \$400 million more U.S. farm imports are expected to come from the European Union.

The main U.S. import growth item, horticulture products, will be purchased from the NAFTA partners, South and Central America, as well as the EU and Asia.

Table 5--U.S. agricultural imports: Value by region, 2002-2003

Country and Region	October-November		Fiscal 2002	Share of total 2002	Forecast Fiscal 2003	
	2001	2002			Nov.	Feb.
	Billion dollars			Percent	Billion dollars	
Western Hemisphere	3.535	3.835	22.291	54.4	23.3	23.3
Canada	1.852	1.911	10.188	24.9	10.7	10.7
Mexico	0.706	0.832	5.288	12.9	5.4	5.4
South America	0.687	0.783	4.524	11.0	4.8	4.8
Brazil	0.204	0.249	1.081	2.6	1.2	1.2
Colombia	0.155	0.165	0.903	2.2	1.0	1.0
Chile	0.084	0.088	1.124	2.7	1.2	1.2
Other South America	0.243	0.282	1.416	3.5	1.5	1.5
Central America	0.247	0.270	1.933	4.7	2.0	2.0
Costa Rica	0.116	0.108	0.814	2.0	0.9	0.9
Caribbean	0.043	0.039	0.357	0.9	0.4	0.4
Western Europe	1.717	1.744	8.672	21.2	9.2	9.2
European Union	1.682	1.706	8.468	20.7	8.9	8.9
Eastern Europe	0.051	0.062	0.303	0.7	0.4	0.4
New Independent States 1/	0.016	0.015	0.083	0.2	0.1	0.1
Asia (excluding Middle East)	0.812	0.840	5.046	12.3	5.3	5.3
China	0.145	0.146	0.974	2.4	1.2	1.2
Southeast Asia	0.401	0.449	2.553	6.2	2.6	2.6
Indonesia	0.151	0.155	0.910	2.2	1.0	1.0
Thailand	0.107	0.110	0.708	1.7	0.7	0.7
South Asia	0.127	0.117	0.736	1.8	0.8	0.8
India	0.113	0.106	0.670	1.6	0.7	0.7
Oceania	0.543	0.455	3.180	7.8	3.3	3.3
Australia	0.359	0.307	1.894	4.6	2.0	2.0
New Zealand	0.171	0.132	1.227	3.0	1.3	1.3
Africa	0.137	0.199	0.886	2.2	1.1	1.1
Ivory Coast	0.035	0.097	0.241	0.6	0.3	0.3
Middle East	0.079	0.073	0.518	1.3	0.6	0.6
Turkey	0.053	0.046	0.321	0.8	0.3	0.3
TOTAL	6.890	7.222	40.979	100.0	43.0	43.0

Totals may not add due to rounding.

1/ New Independent States (NIS) are the former Soviet Union, including the Baltic Republics.

Sources: U.S. Department of Agriculture and Bureau of Census, U.S. Department of Commerce.

Reliability of Projections

Table 6--Reliability of United States February export projections by country, 1977/78-2001/02

Country/region	Difference between February projections and final data						
	Average	Average	Max below	Max above	Below	Equal	Above
	Percent		Billion \$		Number of years		
Asia excl. Mid East	7.3	1.2	-2.9	3.5	12	1	12
Japan	6.0	0.4	-1.1	0.8	13	2	10
China	34.6	0.3	-0.7	1.1	8	3	14
Hong Kong 1/	5.8	0.1	-0.2	0.2	3	7	5
Taiwan 1/	5.7	0.1	-0.4	0.4	8	5	2
South Korea 1/	8.7	0.2	-0.9	0.9	5	2	8
Southeast Asia 7/	11.1	0.2	-0.5	0.4	5	1	4
Indonesia 2/	18.0	0.1	-0.2	0.1	3	0	1
Philippines 1/	6.4	0.1	-0.2	0.1	5	9	1
Malaysia 2/	0.0	0.0	0.0	0.0	0	4	0
Thailand 2/	9.2	0.0	-0.1	0.0	2	2	0
South Asia	25.1	0.2	-0.3	0.4	5	1	11
Canada	6.3	0.2	-1.5	0.2	15	3	7
Mexico 3/	14.6	0.4	-1.2	1.0	13	1	8
Caribbean 4/	13.3	0.2	-0.2	0.0	1	0	0
Central America 4/	8.3	0.1	-0.1	0.0	1	0	0
South America 7/	10.3	0.2	-0.1	0.5	2	1	5
Brazil 1/	28.7	0.1	-0.1	0.2	5	6	4
Colombia 4/	20.0	0.1	-0.1	0.0	1	0	0
Venezuela 1/	15.3	0.1	-0.2	0.1	4	7	4
Western Europe 5/	5.2	0.4	-1.1	0.9	4	2	2
European Union 5/	6.1	0.5	-0.7	1.0	1	1	6
Central and E. Europe	26.7	0.2	-0.2	0.8	2	7	16
FSU/New Ind States	20.4	0.3	-0.8	0.5	14	2	9
Russia 5/	33.3	0.2	-0.2	0.6	4	1	3
Middle East	13.4	0.2	-0.5	0.6	10	1	14
Turkey 2/	23.8	0.1	-0.1	0.2	2	0	2
Saudi Arabia 1/	10.6	0.1	-0.1	0.1	4	7	4
Africa	9.0	0.2	-0.5	0.4	11	2	12
North Africa	8.6	0.1	-0.3	0.5	10	6	9
Egypt 1/	8.2	0.1	-0.3	0.1	5	4	6
Sub-Sahara 6/	16.1	0.1	-0.4	0.2	10	2	9
Oceania	8.3	0.0	-0.1	0.1	6	17	2
World	5.2	2.0	-6.1	4.3	15	1	9

1/ 1978/88-2001/02. 2/ 1998/99-2001/02. 3/ 1980/81-2001/02. 4/ 2001/02 single year only.

5/ 1994/95-2001/02. EU 15 formed in 1995. 6/ 1981/82-2001/02. 7/ Intermittent.

Table 7--Reliability of United States February import projections, by country, fiscal years 1994/95-2001/2002

Country/Region	Differences between February projections and final data						
	Average	Average	Max below	Max above	Below	Equal	Above
	Percent	Billion dollars			Number of years		
Canada	5.9	0.4	-0.7	0.2	7	0	1
Mexico	4.6	0.2	-0.7	0.2	3	3	2
South America 1/	2.2	0.1	-0.1	0.0	1	0	0
Brazil	26.3	0.3	-0.1	1.3	2	1	5
Colombia 2/	6.9	0.1	-0.1	0.1	1	1	2
Chile 3/	13.0	0.1	-0.2	0.3	4	2	1
Central America 2/	12.8	0.3	-0.3	0.4	1	1	2
Costa Rica 2/	6.3	0.0	0.0	0.1	0	2	2
Caribbean 4/	19.4	0.1	-0.1	0.1	1	1	1
Western Europe	6.0	0.4	-0.6	0.8	6	0	2
European Union	4.8	0.3	-0.7	0.1	5	1	2
Eastern Europe	16.7	0.0	-0.1	0.1	1	5	2
FSU/New Ind. States	15.8	0.0	-0.2	0.0	2	6	0
Asia, excl. Mid East	7.0	0.4	-0.8	0.8	3	1	4
China	2.8	0.0	-0.1	0.0	2	6	0
Southeast Asia 3/	7.8	0.2	-0.2	0.4	2	0	5
Indonesia 2/	15.1	0.2	-0.1	0.3	1	0	3
Thailand 2/	7.1	0.1	0.0	0.1	0	2	2
South Asia 3/	15.5	0.1	-0.2	0.2	4	1	2
Oceania	5.6	0.1	-0.4	0.1	3	2	3
Australia 2/	7.3	0.1	-0.3	0.1	1	2	1
New Zealand 2/	6.4	0.1	-0.1	0.1	1	1	2
Africa	7.2	0.1	-0.1	0.1	4	3	1
Ivory Coast 2/	20.8	0.1	0.0	0.1	0	2	2
Middle East	19.8	0.1	-0.2	0.2	3	2	3
Turkey 2/	16.7	0.1	0.0	0.1	0	2	2
World	3.8	1.3	-2.9	1.2	5	0	3

1/ 2001/02 single year only. 2/ 1998/99-2001/02. 3/ 1995/96-2001/02. 4/ 2000/01-2001/02.

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